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INAUGURAL MESSAGE

OF

GOVERNOR RAMSEY

TO THE

SENATE

AND

HOUSE OF REPRESENTATIVES

OF THE

STATE OF MINNESOTA.



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GOVERNOR RAMSEY'S INAUGURAL MESSAGE.

Gentlemen of the Senate and House of Representatives :

The positions of trust with which we have been honored by the suffrages of the people, impose upon us, at this time, responsibilities of unusual moment.

The financial embarrassments of the State and the people ; the universal depreciation of the value of property ; the general stagnation of business ; the expensiveness of our State, County and Township governments, and the consequent onerous taxation ; the complication of the State with the Land Grant Rail Road Companies ; and the utter derangement of the currency through an unfortunate administration of the existing law relative to banking ; these and other things, present for our action questions of importance and difficulty, such as Legislatures and Executives are seldom called upon to determine. Let us meet them at once, and dispose of them promptly, with singleness of purpose and an honest judgment directed to the best interests of the State, and doubt not, that though the necessities of the times require much at our hands, the justice of the people will accept and approve our doings.

Minnesota, during the few months of her existence as a State, has indeed had occasion to try the uses of adversity. That monetary crisis, which scattered ruin through the commercial world in 1857, would, for obvious reasons, be more severe and disastrous in a young frontier State, than elsewhere. Not having yet arrived at that stage when our community was self-sustaining, we were greatly dependent upon the wealth of our immigration, and the money of capitalists from abroad, sent here for profitable investment. Numbers of our adventurous and hopeful people had embarked in magnificent projects, and enterprises of great pith and moment, with scarcely any capital of their own beyond their strong arms and stout hearts. Many of our farmers were still in debt for their farms, their stock, or improvements, and few of them produced more than enough for their own consumption. We imported everything we had occasion to use. A very large proportion of the population was engaged in trade and more or less legitimate speculation. Such, indeed, has been the earlier condition of every State in the thriving West.

Upon such a community the sudden withdrawal of that credit upon which it had relied, the checking of immigration, the prostration of business and as the consequences of a financial revulsion, must be more lasting and injurious. Legislation is powerless to cure such evils. The remedy lies in the people ;

and in, and for them, beyond the clouds of to-day, there is a future, bright with promise.

Contrast the condition of the State of Minnesota, to-day, with that of the Territory of Minnesota, ten years ago. Then, no thriving towns dotted our fertile prairies, or welcomed the steamboat to their crowded levees; no steam-boats daily ploughed our navigable waters; no mills on every stream converted the monarchs of the forest into lumber, or the cereal growth into flour; and the unfarrowed fields smiled with no bountiful harvests. The population of the Territory scarcely reached five thousand, and the total valuation of property was but little over eight hundred thousand dollars.

The present population is probably one hundred and eighty thousand. The assessed value of taxable property for 1858, was over forty millions of dollars. In other words, the population has, on the average, doubled every two years, and our wealth has increased even more rapidly. If we look at the business and enterprise of the State, the growth has been no less vigorous.—The following statistics are prepared from a township canvass, embracing nearly every district, and are undoubtedly reliable. They show the present extent of our farming interest, which will always be the leading one, and also the fitness and capabilities of our soil and climate for agricultural purposes.

Whole area under cultivation, 1859,	- - - -	464,600 acres.
Number of farms,	- - - -	21,533
Average of tilled land per farm,	- - - -	21 $\frac{1}{2}$ acres.

PRODUCTS OF 1859 :

Bushels of Wheat harvested,	- - - -	3,435,950
" Corn "	- - - -	3,476,950
" Oats "	- - - -	3,309,480
" Potatoes about	- - - -	3,000,000

EXPORTS OF GRAIN AND PRODUCE FROM THE RIVER TOWNS OF MINNESOTA :

Wheat,	- - - -	372,625 bushels.
Oats,	- - - -	175,500 "
Corn,	- - - -	47,742 "
Potatoes,	- - - -	117,000 "

In addition to the above exports, a great deal of produce of the Southern tier of counties was shipped from ports in Iowa. Cranberries and Ginseng are gathered for exportation, but they hardly pertain to agriculture. Wool already begins to form an article of exportation. Hides form a considerable item, and butter is exported to some extent.

The aggregate value of the total products of wheat, oats, corn and potatoes at the average current prices during the fall, amounts to about four millions of dollars, and the value of the exports, to four hundred thousand dollars. About 3,000,000 of bushels of wheat, harvested last year, are yet within the State. 1,000,000 of bushels are surely sufficient for our home consumption for one year, leaving a surplus still in the State, waiting a market, of 2,000,000 bushels. Calculate the surplus of each other article enumerated above, and estimate the value, and it will appear, that we have an agricultural surplus, the production of the tenth year of our existence, worth probably two million dollars.

The question of providing an outlet to a market, for this and a future greater surplus, will hereafter demand consideration. It is apparent at a glance with what relief we should be sensibly affected, if what we have to sell, could find a cheap and speedy transit to those who have to buy.

The average yield of wheat per acre, for the past year, in this State, was over twenty bushels. This, which is nearly double the average yield in the so

called wheat-growing States, indicates either an extraordinary year, or a better adaptation of soil and climate to wheat culture. Probably the season has been unusually productive, but it has long been claimed, by those who have had the opportunity to know, that Minnesota does, in fact, surpass the other Mississippi States, in that particular.

The statistics of manufactures, though less complete, are not less encouraging. The following is a statement of exports of Lumber, Logs &c. from Minnesota :

	From St. Anthony.	St. Croix Valley.
Sawed Lumber,	3,000,000 ft.	30,000,000 ft.
Laths.	4,100,000 ft.	15,000,000 ft.
Shingles,	5,200,000 ft.	1,000,000 ft.
Logs,	31,000,000 ft.	40,000,000 ft.
Long Lumber,	9,490,993 ft.	

Value of exports at place of Shipment :

33,000,000 feet sawed lumber a \$8 per M	\$264,000
19,000,000 Laths, a 1.25	23,750
6,200,000 Shingles, a \$2.50	15,500
71,000,000 Logs, a \$4.00	284,000
9,490,993 Long Lumber,	99,649

Total 686,899

The Surveyor General of the First Lumber District reports as sealed in his District :

Logs,	65,392,230 ft.
Lumber,	9,143 ft.
Logs unsurveyed, (estimated)	5,000,000 ft.

The Surveyor General of Second District reports :

Logs,	29,382,000 ft.
Total	99,783,373 ft.

The amount sealed in the other districts is not ascertained.

Such was our commencement, and such has been our growth. Iowa, from 1840 to 1850, quadrupled her population : up to 1859, that State had almost quadrupled the population of 1850. Suppose our progress is only as rapid as that of Iowa during the last named period ; then, in 1870, we shall be a State of between 600,000 and 700,000 inhabitants, with an assessed valuation of property amounting to \$200,000,000. Nor is this improbable. If, while we were few in number, with scarcely any capital, our country unknown, its advantages unnoticed, its productiveness of soil and salubrity of climate, at first unsuspected, then unacknowledged, and at length envied, we have accomplished so much as the record of the past exhibits, what may we not reasonably hope to attain before 1870, having now a capital, a population, a name and a history ?

The day cannot be far distant, notwithstanding the errors of the past, and the darkness of the present, when Minnesota, guided by wise and prudent counsels, shall be as prosperous in her affairs, as she is blessed of Heaven in her advantages.

Let the Legislature contribute to that result, by so reducing the scale of expenditures, that taxation shall not eat up the substance of the people ; by so disposing of the question of the State Railroad Bonds, that while on the one hand, immigration shall not be driven from our soil, by the dread of an enor-

mous public debt, on the other, the settler from the East or from Europe, seeking a home in the West, shall not shun us for lack of those facilities of communication to be found in other States; and by adopting such a banking law as shall effectually prevent the issue of currency upon a pledge of stocks without a market value, sufficient in any event, to secure the bill-holder, at least, from ultimate loss.

A thorough revision of all laws whereby the expenses of Town, County or State governments can be reduced, is imperative. It is to be regretted that such a scale of expenditure, for some or all of these governments, was adopted in the midst of the ruin following the revulsion of 1857, and that no change or reform has been attempted for two full years of sacrifices and distress. The necessity for your prompt action is therefore the more pressing. To begin with the lowest, the burden of the Township and County governments under the present law, is seriously complained of. It is conceded that the system is well adapted to an older and more populous State, while, at present, it imposes an expense for their support too heavy for a sparse population to bear. It occurs to me to suggest, that the system of town government, now beginning to be understood and soon to become necessary, need not be entirely abandoned. If the voters of the several townships had power at their town meetings to determine the compensation to be paid their several township officers, except Justices of the Peace and Constables, there could be no just complaint on the part of town; for, no doubt, so long as towns should be unable to pay their officers, as at present, the worthiest men would freely give their services.

The *per diem* of the present Boards of County Supervisors undoubtedly exceeds that of the former Boards of Commissioners, since the Supervisors are more numerous. But it may not be certain, that the difference is not made up, in the more careful and economical management of the county affairs, for it is notorious that some of the heaviest liabilities with which counties are now embarrassed, were incurred under the old system. Should it be deemed desirable, however, to make any approach to the former system, I would recommend, that while the town governments be maintained, with the privileges before suggested, the powers now lodged in the Board of County Supervisors, be vested, as far as is judicious, in a Board of three or five Commissioners, and that Counties be districted for their election, in order that the centres of population in Counties may have no disproportionate power in the Board.

The maximum of taxation by Towns, Cities and Counties might well be assigned by the Legislature. Otherwise, extravagance or recklessness on the part of these subordinate bodies politic, might exhaust the means of the people, and thus impair the revenues of the State.

In this connection I further recommend that Towns, Cities and Counties be prohibited by law from issuing bonds, orders or warrants bearing interest, or to an amount exceeding the anticipated revenues of the year.

Some legislation may be advisable, by which the fees of Jurors in civil actions in the District Courts should be paid by the litigants. Such is the law in several States, Counties bearing only the jury expenses in criminal prosecutions. It would be a relief to the people generally, and I refer it to your consideration.

To determine what reforms are needed, as well as what are possible, in the State Government, it becomes necessary first to know well our present condition; and it is much to be regretted, that the officers of the Executive department, within whose knowledge these matters peculiarly have been, have not given you a concise and convenient statement of the financial state and condition of the country: showing, for example, what had been the total amount

of the liabilities incurred for, or on behalf of the State, from January 1st, 1858, to January 1st, 1860, those of December, 1859, being, of course, estimated; and the general description or head of the several expenditures and amount of each; how much, if any, of the total liabilities was on account of indebtedness due before January 1st, 1858; what portion of the whole has been paid, and what is the amount of the portion, if any, still unpaid, and forming a floating debt against the State, for which you must provide; also showing what moneys have been received into the Treasury, and from what sources. Such an exhibit, while it is necessary to the Legislature, as a basis for its intelligent action, and due to tax-payers, could not have done injustice to any department of the government. You should have, also, in connection with the statement of the financial condition of the State, estimates relating to the future financial requirements of the government.

In the absence of such statement and estimates, in the reports already made, I proceed to furnish as full and perfect estimates as the Reports of the Auditor and Treasurer, and my own general knowledge of the affairs of the State, enable me to do at this time.

The Auditor's Report shows appropriations to have been
been made between January 1st, 1858 and December

1st, 1859, amounting to - - - - -	\$416,797 08
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Liabilities made and paid without appropriations, - - - - -	5,575 16
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Other expenses have been incurred not included in these appropriations:
such are

Interest due Jan. 1, 1860, on 8 per cent. loan, - - - - -	\$ 10,000 00
Balance unpaid, expense of expedition to Wright Co., - - - - -	1,935 00
Three day's pay to Military Companies ordered under arms, but not called out, for said expedition (estimated) - - - - -	1,000 00
Legislative expenses, Dec. 1859, (estimated) - - - - -	20,000 00
Printing. " " " - - - - -	10,000 00
Salary of Reporter, Supreme Court, (present rate) - - - - -	600 00

Showing a total of indebtedness occurring on or before January 1, 1860, of - - - - -	\$465,907 24
Of this amount, there has been paid within the same time, - - - - -	363,891 69

Leaving a balance of - - - - -	102,015 55
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It is probable that a part of the appropriations above referred to, will not be required, and that the floating debt may be estimated at \$80,000.

State Warrants had been issued before Dec. 1st, 1859, for \$33,770.65, but the Treasury had nothing to redeem them except depreciated bank notes.

I make the following estimate of the ordinary expenses of the Government for the past two years:

Salaries, - - - - -	\$ 65,600
Contingent Funds, - - - - -	19,500
Printing, - - - - -	59,627 75
Legislative Expenses, - - - - -	133,620 87
Penitentiary, - - - - -	5,267
Miscellaneous, - - - - -	15,574 23

Total, - - - - -	\$299,189 85
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This gives the sum of \$149,594.93 as the average current annual expenses for the past two years.

The Constitution requires that the Legislature shall levy a tax annually, sufficient to pay the annual interest of the State debt of \$250,000, and also a tax sufficient to pay the principal within ten years from the final passage of the law authorizing such debt; and specially appropriate the proceeds of such taxes to the payment of such principal and interest. The Legislature, in the law authorizing the debt of \$250,000, approved March 13, 1858, provided for the requisite tax, which was included in the five mill tax of 1858 and 1859, and directed how the amount appropriated as a sinking fund should be annually invested by the Governor of the State. The amount so appropriated is \$27,777.77, which by law should have been invested in 1859. In fact, only the sum of \$14,325 has been invested in such sinking fund, leaving the State indebted to that fund \$13,452.77.

This investment of \$14,325 is of peculiar interest. The Treasurer's Report states the amount to have been in incurrent bills of Minnesota banks, and the investment to have been made, by taking from the Auditor's office, the fifteen Minnesota State Railroad Bonds on which the currency had been issued at the rate of ninety-five cents of currency to the dollar of Bonds. It appears, then, that in the midst of universal denunciation of repudiation, no better precaution has been taken to meet the obligations and save the honor of the State, than this investment of one half the required sum, made as an expedient to save the State from the total loss of fourteen thousand dollars of depreciated currency issued by our Bank Department. Your attention should be called by this circumstance, to Section 5 of Chapter III, of the General Laws of 1858, which relates to the investment of the sinking fund, with a view to its amendment, if necessary.

To resume the exhibition of the financial condition of the State, which though unpleasant for me to make, is indispensable to any proper action on your part.

The Auditor reports receipts for the years 1858 and 1859, as follows:

Sale of 8 per cent bonds,	255,125.02
Territorial and State taxes,	116,446.92
Sup't of Indian Affairs,	5,250.00
H. H. Sibley, Sup. Court Reports sold,	12.00
Balance in Treasury Jan. 1st, 1858,	5,009.43
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Total,	\$379,230.85.

This amount, excepting the sum (\$14,325) invested in Minnesota 7 per cents, and \$1014.14, depreciated bank paper still in the Treasury, has been expended.

The present indebtedness of the State is—

Upon 8 per cent Bonds,	\$250,000
Floating debt,	80,000
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Total,	330,000
Deduct outstanding debt, due Jan. 1st, 1858, say—	105,000
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Increase of State debt in two years,	\$225,000
The resources of the State are—	
Delinquent Taxes,	\$149,799.67
Balance in Treasury, (depreciated currency,) .	1,014.14
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Total,	\$150,813.81

Having thus considered the brief financial history and present condition of

the State, in the previous exhibits, we come to examine the prospect for the future, with a view to the necessary legislation.

The demands upon the Treasury, for the next and succeeding years, will be much greater, in consequence of the facts just stated. You will observe that unless a rigid economy be introduced, in the ordinary expenses of the Government, the revenue of the State even at the present rate of taxation, without a great increase in valuation of taxable property, will be entirely inadequate: and that the most pressing question before you is not, as many have thought, what shall be the Railroad policy of the State, but what can be done, while lessening taxation, to provide means for the necessary purposes of the Government, and to accumulate a fund to prevent the dishonor of our 8 per cent bonds. There surely never will be found any, to advocate in terms the repudiation by Minnesota of any obligation of the State. But it might indeed be, that extravagant practices, and a State policy that should never take a reckoning, would so burden the community, distress and discourage the people, divert immigration, and depreciate the value of property, that however involuntary it might be, virtual repudiation, the inability to discharge our obligations when mature, must and would ensue.

To avoid that contingency, the knife of retrenchment already too long withheld, must be applied without delay, and almost without exception, to every expenditure of the public money. It will not be expected of us, that in a single twelve-month, we shall discharge every indebtedness incurred in the past, and provide for every want of the future, while economizing the expenses of the present. We can at most institute a system of retrenchment and encourage a policy of economy, by which, if persisted in for a few years, the State shall be disengaged of her floating debt, her annual expenses kept within her annual resources, and while the burdens of taxation upon her people shall be materially lightened, her treasury shall yet have something for those great public charities, in behalf of the deaf and dumb, the blind and the insane, which it will be her enlightened policy, at the proper time, to establish and foster.

The present salaries of officers of the Executive Department would not, perhaps, be more than a reasonable and proper compensation for the services required to be rendered, if the State, with all her institutions well established, were entirely unburdened with debt; but taking into consideration the inability of the people to pay the requisite taxes at this time, I recommend that certain of these salaries be reduced.

The present Judiciary system is too expensive. The salaries paid by the State, in that connection alone, amount annually to \$25,000. The Clerk of the Supreme Court, in addition to a salary of \$1,000, receives fees amounting probably to as much more. The duties of the office are not onerous, and might be well discharged for the fees alone. The Prosecuting Attorneys, drawing \$6,000 from the treasury yearly, can be dispensed with.

According to sound policy the representatives of the people should have the disposal of the public money, and should make specific appropriations, as far as possible, for all necessary objects. It should never become a custom, to leave large sums of money to be expended in the discretion of any officer of the government. I therefore recommend specific appropriations for all purposes which are foreseen to be necessary, and that very small sums, if any, be allowed as contingent funds.

The disbursements of the treasury on account of printing have been, for the last two years, surprisingly great. I trust you will be able very considerably to curtail the expenses of the State in that particular.

It is, however, in the item of legislative expenses that you will find the largest scope for retrenchment. Whatever question there might otherwise

be, as to the wisdom of reducing the number of senators and representatives in our Legislature, certainly, while economy is of so vital importance, there can hardly be a difference of opinion concerning it. The only questions are, as to the authority of the Legislature to make any reduction at this session, of which there is little doubt, and the amount of reduction which may be advisable.

The Constitution (Art. iv, Sec. 2.) provides that "the number of members who shall compose the Senate and House of Representatives shall be prescribed by law," and also (Art. iv, Sec. 23,) specifies the sessions at which the Legislature shall have power to "prescribe the bounds of Congressional, Senatorial and Representative districts, and to apportion anew the senators and representatives among the several districts, according to the provisions of section second of this article." Any change in the number of either the senators or representatives requires, of course, a new apportionment. If therefore, the present number is "prescribed by law," within the meaning of the Constitution, the Legislature cannot apportion anew until the next session after the Federal census for 1860.

The present apportionment is that made by the schedule of the Constitution "for the purposes of the first election." This limitation to the first election implies that another apportionment was expected to be made "by law" for subsequent elections. Such an one has not been prescribed by law. The power has not been exhausted, and clearly remains in the Legislature, to be exercised whenever they see fit.

What, then, shall be the prescribed number of senators and representatives? The present ratio of about two representatives to one senator, seems to render the two branches of the Legislature too nearly of the same character. The House should be, as it theoretically is, the more popular branch; and the more general custom is to provide for three, or even more members of the House, to one of the Senate. In one instance the proportion is as great as about twenty-five to one. But there may be difficulties attending the apportionment upon the ratio of three representatives to one senator which will require the adoption of some other proportion. A Legislature of sixty members, consisting of fifteen Senators and forty-five representatives, would, in my opinion, be sufficiently numerous to be safe, and not too large for the resources of the State, if limited by the Constitution, to sessions of not more than sixty days.

The expenses of the present session cannot, of course, be reduced by any change in the number of senators and representatives of the next Legislature. The only possible mode of immediate retrenchment open to you in that respect, except in the incidental expenses, is in shortening the session, and I doubt not you will, therefore, the more readily direct your energies to that end. You have very much which imperatively demands your attention before any adjournment, and you desire to avoid the evils of hasty legislative action; but the people can better endure a little longer the crude legislation under which, after all, they have lived for years, than that the expenses of the Legislature should not be very materially reduced. While, therefore, there are many things that need revision, or investigation, or legislative provisione I recommend to you, most earnestly, to direct mainly your attention to those, great questions of reform, which are indeed paramount to all others.

I now present statements, as nearly correct as possible, of other items of ordinary State expenses, taking the average of 1858 and 1859, except where the law fixes the annual amount, as in the case of salaries, interest, sinking fund, &c., with the reductions which I recommend to be made by this Legislature.

SALARIES—	Present.	Reduced.
Governor,	\$2,500	\$1,500
Treasurer,	1,000	1,000
Secretary of State,	1,500	1,000
Auditor,	1,000	1,000
Attorney General,	1,000	800
Librarian,	600	600
Superintendent of Public Arms, &c.	600	500
Reporter Supreme Court,	300	300
Superintendent of Common Schools,	500	
Assistant Auditor,	800	
Judges of Supreme Court,	6,000	6,000
Judges of District Court,	12,000	12,000
Clerk of Supreme Court,	1,000	400
Prosecuting Attorneys,	6,000	
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	\$34,800	\$25,100

The above sum of \$34,800 is not the average of disbursements on account of salaries for the past two years, but the estimated amount annually requisite according to existing laws, exclusive of the salaries of officers of the Penitentiary.

CONTINGENT FUNDS—	Average, 1858 and 1859.	Estimate, 1860.
Executive,	\$5,000	\$1,500
Governor's,	500	
Auditor's,	1,750*	100
Treasurer's,	650	100
Secretary's,	500†	100
Attorney General's,	1,000	100
Supreme Court,	350	50
Total,	\$9,750	\$1,950
PRINTING,	29,813 88	12,000
LEGISLATIVE EXPENSES,	66,810 43	44,000
PENITENTIARY,	2,633 50	2,500
MISCELLANEOUS,	7,787 12	10,000
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RECAPITULATION—		
Salaries,	34,800	25,100
Contingent Funds	9,750	1,950
Printing	29,813 88	12,000
Legislative Expenses	66,810 43	44,000
Penitentiary	2,633 50	2,500
Miscellaneous	7,787 12	10,000
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Total	\$151,594 93	\$95,550

The expenses of the next Legislature, if reduced to sixty members, would be, for sixty days, perhaps, \$24,000, making a further saving to the State of \$20,000.

In addition to the above sum, requisite for ordinary expenditures, there are demands upon the Treasury to be met the current year, in consequence of the previously stated liabilities, which make the amount necessary to cancel every debt of the State up to January 1st, 1861, except the 8 per cent. loan, and without regard to the 7 per cent. or State Railroad bonds, as follows:

*Salary of Assistant Auditor deducted. †Salary of Assistant Secretary not included.

Ordinary Expenses 1860	-	\$95,550
Interest on 8 per cent. loan	-	20,000
Sinking Fund 1860	-	27,777 77
Balance due Fund 1859	-	13,452 77
Floating debt	-	80,000 00
Total	-	\$236,780 54

The amount of the Taxes for 1859 due February 1, 1860, is estimated at \$200,000.

The total amount of delinquent taxes is \$149,799.67. It is probable that the amount of such taxes on the 1st day of January, 1861, will be very much larger. Consequently, there either must remain a floating debt, or the Legislature must contemplate, independent of delinquent taxes, a revenue beyond the amount requisite for the ordinary expenses of the ensuing year and for interest on the State Loan, and for the sinking fund. It would be extremely desirable, if possible, that the Treasury of the State should be able to redeem all warrants drawn by the Auditor as soon as presented. It would be simple justice to those in whose favor the warrants should be drawn, and would be also more economical for the State. The Legislature, for instance, would, doubtless, be better rewarded by a *per diem* of two dollars and a half, if paid in cash, or warrants drawing cash on presentation, than by their present compensation. And the State would, in that instance be the gainer by some four thousand dollars. It would be, therefore, wise to provide for a revenue sufficient for the requirements of the year, and also for the payment of a part, at least, of the floating debt.

There are some sources of revenue within the power of the Legislature, other than the customary property tax, which should, by some means be reduced. A tax or charge upon civil actions, to be collected by the Clerks of the several District Courts, and paid to the County Treasurer for the benefit of the State, would produce a revenue, perhaps of from \$5,000 to \$15,000 annually. This would amount to the payment by the litigants, of the expenses of the Terms of Court, other than jurors' fees.

A small charge upon conveyances of real estate, to be collected by the Register of Deeds, and paid in like manner, would produce, probably \$5,000. These charges would not be felt by the community at large, and probably not regarded as burdens by those who should pay them.

A law providing that, of the entire amount received by certain officers, as Sheriffs, Registers of Deeds, County Treasurers, Coroners, Clerks of District Courts, &c., in compensation for their services, whether by way of fees or per centage, fifty per cent. of the excess beyond a certain reasonable sum, should be paid into the Treasury for the benefit of the State, would, probably, afford \$5,000.

The imposition of a poll tax would be another source of revenue, and by relieving property of a part of the burdens now falling solely upon it, would sooner enable Minnesota to renew her efforts in behalf of those institutions, which so concern the interests, as well as affect the reputation of the State, the Agricultural College, the Normal Schools, the Institution for the Deaf and Dumb, and for the Insane, towards the establishment of which the initiatory steps have already been taken; and would also make more tolerable whatever obligations the State may assume in reference to her Internal Improvements. Under ordinary circumstances, I would not suggest the measure, nor at this time as a settled policy, extending beyond the period of our weakness and embarrassment. You, who more intimately know the sentiments of your constituents can best judge, whether, in view of the protection afforded by Government to persons, as well as to property, and of the common

interest of all in the growth and development of the State and of the oppressive taxation already laid upon property for ordinary purposes and for the support of schools, wherein all have an equal interest, and above all, of the stringency of the Treasury, the patriotism, the just State pride of the people may not be trusted to bear, for a time, this measure otherwise unnecessary.

From these several sources it is probable a revenue of \$50,000 to \$60,000 would be collected, without bearing heavily upon the mass of the people.

Some further revenue may be expected from the five per cent. of the proceeds of the sales of the public lands within the State—which is applicable to purposes of internal improvement; and also, though more in the future, from the grant of swamp lands, which Congress will doubtless be urged by our senators and representatives to make, thus putting us on an equal footing with neighboring States.

The experience of Minnesota in regard to banks of issue has been most unfortunate. The custom of using a paper currency, as well as one of gold and silver, has become so universal with the people, and the policy of authorizing the issue of such currency based upon gold and silver or their equivalents, has been so long pursued by the wealthiest and most prosperous states, that your attention will naturally be less directed to the abstract question of establishing banks of issue, than to the consideration of the obligations and privileges of the banks to be established, and the safeguards which the Legislature can throw around the currency to be issued.

It is indeed deplorable, that in the midst of the other distresses of our people, they should have been so largely the losers by currency issued upon inadequate securities. Whether the misfortune was occasioned by a want of the proper rigid enforcement of the provisions of the act relative to banking, or by some defect in the law itself, it is your province, if you deem it advisable, to inquire and determine. But in my judgment, the distresses of the past have so impaired public confidence in the safety of the law, that no fidelity in its execution, after the most careful revision, can fully restore it, or the currency issued under it, to the public favor. I recommend, therefore, that the present law be repealed, and in its place be enacted that of some one of our neighboring States, which, after years of severest trial, has been found to furnish a currency safe and desirable. The simple enactment may not immediately give us a circulating medium to the extent we may wish, but we may be assured that under a law, identical with that of Wisconsin for example, which has the prestige of success, whatever currency shall from time to time be issued, will be received with confidence.

I now proceed to speak of the complications growing out of the unfortunate Loan Amendment to our State Constitution, adopted on the 15th of April, 1858. I need not go into any elaborate argument to prove to you that the leading idea under which the people of Minnesota voted that Loan of Public Credit, was, that through such endorsement by the State of the Land Grant Railroad Companies, Railroads would most assuredly be built and put in operation, and that, too, speedily—in their building contributing to the revival of prosperity, and their completion securing it. Nor will it be denied, on the part of these Companies, that while they solicited and accepted the loan of the special bonds of the State, they solemnly engaged not only to build the Roads without fail, but to save the State harmless from ever paying a dollar of interest or principal on the bonds. But from present appearances, and I say it with great regret, neither the expectations of the people nor the promises of the Companies are likely to be realized. If it is inquired what the Railroad Companies have thus far done to meet their obligations to the State and the people of Minnesota, the answer is a most unsatisfactory summary. They have, on all their several lines, graded an aggregate of about 240 miles of

road, which they allege is ready for placing the super-structure thereon. Upon the faith of such grading being faithfully executed, which is said to be doubtful, they have drawn about \$2,300,000 of the Special Bonds of the State, entitled "Minnesota State Railroad Bonds." But, for this, they have not completed or put in operation, one mile of Railroad. They have not brought into the State one pound of iron for that purpose. The idea of building and operating Railroads by the present companies is generally abandoned even by themselves, as it is by everybody else. And three of the Land Grant Railroad Companies, to wit, the Minnesota and Pacific, the Minneapolis and Cedar Valley, and the Transit, have just defaulted in the payment of interest on their quotas of the State Railroad Bonds. While, also, the people of Minnesota, in debt, overtaxed, suffering losses from a depreciated Railroad currency, are poorer, if anything, than they were before the Railroad Loan Policy to make everything prosperous, was inaugurated. Such is the summary of results we have reached, from the final working out of the Constitutional Loan Amendment.

And now, the important question arises,—what is to be done, if anything, about those outstanding \$2,300,000 of State Railroad Bonds, upon which no interest seems at present to be guaranteed from any quarter?—And what is to be done about the 240 miles of earth-work and embankments, scattered over the State—which, if unprotected, must speedily crumble again to the level of the prairies, under the combined influences of winter's frost and summer's rain—240 miles of grading, which is all we have to show for our two million three hundred thousand dollars of special bonds, delivered to the Land Grant Railroad Companies?

These are, indeed, important questions,—questions which press home to every citizen's breast for an intelligent and correct answer,—and they press, with a heavy weight of responsibility, home upon us, who are the elected guardians of the State, and its servants. We must not shrink from meeting this exigency and overcoming it. We must grapple at once with the public difficulty and not postpone its consideration.

Duty to the destinies of our young State demands this. We have a goodly land around us. A climate that gives mental and physical vigor. What we most need is men to till the one and enjoy the other. Immigration, then is the grand solution for our present difficulties. Give us the capital of more men, more people, and we will vivify, infuse the breath of life into, the dead capital of millions of acres now growing only prairie flowers. The more men, the more labor; the more production, the more prosperity: the greater the development of all our resources. Immigration will multiply capital, diffuse wealth, sell our town lots, increase activity in every pursuit and business, strengthen our power as a separate sovereignty, and give us a greater weight and proportion as an integer in our general nationality. Let the tide of immigration once more set in upon us, and even Railroads, as outlets to markets for our products, will be of secondary importance. For many years to come immigration ought to make our best market, consuming whatever surplus flour, meal, wheat, corn, oats, beef, pork, we may raise and have to sell. Then it will be, if not sooner, with our whole country filled with population, our lands generally under cultivation, factories cresting our waterfalls, and steamboats fretting our rivers and streams, that railroads will come naturally, without debt, without taxation, without force work, through capital, in the ordinary course of trade, seeking here profitable investment. I repeat it, therefore, immigration is the solution for all our present difficulties. How then shall we best induce it—how best persuade the great army of humanity every year marching westward in such numbers, from dense Europe, and the crowded Eastern States, to come here and camp for life and for generations in Minnesota, peopling its vallies, its prairies, its lakesides, conquering physical nature

with the plough, the axe, the scythe and the reaping machine. How, indeed, can it be done?

I will tell you, how it would not be done—how we can defeat that army, drive it away in another direction, to aggrandize, enrich and develop other states or territories, if we so desire. It is, simply, to do nothing to arrange the complications growing out of the Five Million Loan Amendment. The work of repulsion to immigration will be effectually accomplished by such negative statesmanship. The reason is manifest. Emigrants are sensitive to the ideas of debt and taxation. Most men seeking homes in a new country are attracted, in the first place, by the cheapness of the land. Their means are generally moderate, and the most rigid economy at the outstart, indispensable. Few rich men emigrate. With those who do, how great taxes they must pay to the State even on their cheap land, in a new country, while still struggling to open up the wilderness for their own and that State's benefit, is a consideration of some moment. To allow Minnesota, therefore, to remain before the world with the reputation of deep financial embarrassments—of staggering under millions of debt and being inflicted with the plague of myriads of tax-gatherers—the whole story exaggerated many-fold by vague popular rumors, increased by the interested misrepresentations of agents of rival bidders for immigration—is voluntarily to allow an obstacle to remain in the public highway of our prosperity and future growth and progress. Let this obstacle be removed, and our natural superiority of soil and climate, will give us the preference with the preponderating mass of immigrants. In any case, be assured, it is infinitely better for us to know the worst. Whatever debt or whatever taxation become our bitter portion, the truth certainly known, will not be so damaging to our receiving immigration, as will be the present unsettled condition of our Railroad affairs, and the unknown or disputed amount of our obligations to the holders of the State Railroad Bonds.

But it is not only the removal of a hindrance to immigration, which demands that conflicting views of the extent of the State's obligation for the Bonds and her immediate duty in the premises, should be harmonized or at least silenced by the immediate adoption of some settlement as the one permanent policy of Minnesota; but also because it is extremely desirable to remove, as speedily as possible, so vexing a question from our State politics, and not allow it to remain for years, to distract our elections, perhaps divide our people into Bond and Anti-Bond parties, and introduce annually into our legislative halls, an element of discord and possibly of corruption,—all to end just as similar complications in other States have ended: the men who will have gradually engrossed the possession of all the Bonds at the cost of a few cents on the dollar, will knock, year after year, at the door of the legislature for their payment in full; the press will be subsidized; the cry of repudiation will be raised; all the ordinary and extraordinary means of procuring legislation in doubtful cases, will be freely resorted to; until finally, the then bondholders will pile up almost fabulous fortunes, obtaining a recognition of their disputed paper and its payment at par! It is assuredly true, that the present time, now, is, of all others, alike for the present bondholders and the people of the State, the very time to settle, arrange, adjust these unfortunate and deplorable Railroad and Loan complications.

And here at this point again recurs the question, what shall be done in settlement of these complications—a question more easy of determination, when we have fully considered what is the true nature and limit of the obligation of the State of Minnesota to the holders of the Minnesota Railroad Bonds. To this inquiry I earnestly invite your attention. It is answered in various ways, just as men differently interpret the Loan Amendment.

The argument by some, in favor of the perfect validity of the Bonds in question, and of the obligation of the State to meet them fully, and pay them

without qualification or reserve, you are probably familiar with, and it needs not that I should here recapitulate them.

But there are others, who, by plausible, if not conclusive arguments, maintain, that under all the circumstances, and under the provisions of the Constitutional amendment itself, the State of Minnesota is not in law or equity, bound to pay one cent of those Bonds ; and the reasons by which they support so extreme--and, if correct, most important a position, should be candidly presented for your judgment respecting their force and cogency. Those who take this position, deny that they are in any sense the advocates of repudiation. They profess to be in favor of paying all the honest indebtedness of the State clearly established to be such. They agree, that it is the duty of every good citizen to guard the reputation and fair name of the State from just impeachment, by meeting to the full all honest demands against her ; but they urge, that it is no less his duty to scan closely--to inquire well--into the true character of alleged obligations ; and a duty, also, to her admitted creditors, particularly in an embarrassed condition of her treasury, to ward off and resist the payment of demands of a doubtful and untenable character, which, under various pretences, her assumed creditors may attempt to set up against her. Under this last category, they place the holders of the Minnesota State Railroad Bonds. Not that the Bonds they hold were not regularly acquired ; but then, it is contended, they are not State Bonds in the ordinary form and with the ordinary general State obligation for their redemption, but a special class of bonds, issued for a special purpose, upon special conditions, and for a certain consideration. That they are called in the constitution, the special Bonds of the State, their special and restricted character being still further indicated by their name of Minnesota State Railroad Bonds. That, as they purport on their face to be issued in pursuance of the provisions of an amendment to the State Constitution to loan the public credit, for the purpose of expediting the construction of lines of Railroads (not merely the grading of Railroads), whoever has acquired them by transfer by endorsement of the President of said Company has done so with full notice on the record, that a fundamental law limited the authority of the State officials who attested them and delivered them to the Companies ; that by its closing proviso, it restrained those Companies as to the time when, and the conditions on the fulfillment of which, they might use, transfer or negotiate them ; and that it determined the whole special or contingent responsibility of the State under the conditional pledge of its faith and credit for their redemption ; and that, therefore, they bought them under a known risk and cannot claim payment, independent of consideration, as being innocent purchasers.

Still another argument used against the obligation of the State to pay these grading Bonds, turns upon the allegation, that some of the Companies have obtained most of them by deceiving the State authorities into delivering them, without every legal pre-requisite for their issue having been observed. That by most of the Companies the bonds were improperly drawn, upon imperfect grading, that was, contrary to the amendment, totally unfit and unready for the superstructure, from their being executed in detached portions, instead of connectedly and continuously, with the bridges not built, and the heavy work of the lines often omitted. That, also, the right of way has not been acquired from the individual land-owners, through whose property the lines of the several roads are surveyed and, in part, graded ; and that, therefore, the clear mortgage security on the roads, required by the amendment as a pre-requisite to the delivery of the bonds to the Companies, has not been honestly and in good faith given to the State in exchange for her bonds. Upon these allegations, it is argued that the letter and the spirit of the Constitution, have been alike violated in the issuance of the State Railroad Bonds, and that the State is not bound in law or equity for their redemption.

There is yet another purely legal and technical argument urged by some, which strikes more deeply and broadly at the legal and constitutional existence of the whole Loan Policy in all its ramifications from the beginning to this time, while, at the same time, it is one that could not affect our moral obligation to pay. It is based upon the allegation that the Loan Amendment to the Constitution was submitted for the sanction of the people, through a law passed by a body elected as, and claiming to be, the Legislature of the State, but which, against protest, acted substantially as a Territorial Legislature, under Territorial Officers, and that the said law was approved only by the Secretary of the Territory, acting as Governor under the Organic Act. That in addition to this the Loan Amendment to the State Constitution was adopted by the people prior to the admission of our State into the Union, and while the original State Constitution of Minnesota, was still under consideration by Congress, pending our application for admission. That we were finally admitted by Congress under our original constitution, solely, and that the amendment and all proceedings had, or obligations incurred, or bonds issued in pursuance of its provisions, are without force or validity.

I have thus far, given you the arguments rather of others, than myself, touching the proper answers to be made to the questions, what is the true limit and nature of the obligation of the State of Minnesota to the holders of her special bonds; and what should be done in settlement of the complications of our State affairs, growing out of their issue and out of the Loan Amendment generally. I will now, however, proceed to give my own views upon all those points, for your consideration, and approval or rejection. I set out with this position, that it is my earnest desire, in whatever suggestion I offer, or recommendation I make, to settle all of these complications in such a way as will best preserve the reputation of our State, by meeting to their fullest obligation her pledges of "faith and credit," whether special or general—in such a way as will not oppress the people, and will oppose the least obstacle to the final completion of our Railroads, in whole or in part.

First, before reviewing the extent of our obligations to the present holders of the special bonds, it may be well to inquire who they probably are, and under what circumstances and at what rates, they have probably obtained them.

It is my belief, from all the information I can obtain, that much the greater proportion of the said bonds are still in the possession or control of the Railroad companies, or their immediate representatives, the contractors for the grading : received, at least by the former, at the rate of \$10,000 a mile for such grading, an amount admitted to much exceed its actual cost : while the other and the smaller portion of the bonds, were, undoubtedly, with very few exceptions, received or purchased by their present holders greatly below par value—either in hypothecation or pawn for small advances, and since forfeited; or as gratuities for doubtful services, or liberal salaries for less questionable ones ; or, in exchange for depreciated currency bought up at heavy discounts. The whole amount of the special bonds received by the Auditor for Banking purposes was \$509,000 : of which \$183,000 have been retired ; leaving \$326,000 of them still deposited in the Banking department.

In my opinion, our obligation as a State, to those who hold the special bonds, whether the Railroad Companies, or others, must in all fairness be measured by a comprehensive view of the whole circumstances under which they were originally issued; by the conditions of their issue; by the object sought to be obtained by their delivery to the Railroad Companies ; by the utter disappointment of a confiding people, at the result of their generous loan of public credit which gives them grading instead of Railroads ; and by

the actual cost of the grading to the companies, and of the bonds to the holders generally, even in second or third hands.

Thus, you will perceive, that I am more disposed to settle this complex matter by an application of the broad rule of equity and fair dealing, as between man and man,—rather than subject the bond holders to a decision by ourselves, upon those strict principles of the technical law of consideration, which might give them nothing for the obligations they hold. But, in addition to the reasons I before gave, for desiring the settlement of these difficulties now, the very fact that the State cannot be sued, that the laws of the land give no tribunal where her legal obligations can be tested and enforced, makes me the more desirous that she shold meet even doubtful obligations in a liberal and equitable spirit, that will commend our action to the approval of all enlightened citizens.

Accordingly, I propose for your inquiry into their practicability the following modes that occur to me, as worthy of consideration in the settlement of this question, each suggesting such equitable arrangement and compromise with both the Railroad Companies and the Bond-holders as to my mind, meets the case fully and does exact justice to all parties :

1st.—Assuming that the Railroad Companies will fail, as some of them have failed, to pay the interest on the Bonds falling due from time to time, and that thus, under the terms of the contract, the State re-acquires the lands, franchises, &c., I suggest that it is yet possible to secure the construction of about 250 miles of Railroads within our State, as well as settle finally this bond question, by granting to parties willing to accept of them, other charters of the most liberal character—the State tendering to such parties, for the construction of every twenty miles of continuous Railroad thoroughly and substantially built, when completed and the cars running thereon, a bonus of ten thousand dollars a mile, in State Bonds bearing a graduated interest of less than 7 per cent. per annum—always upon condition, that in exchange therefor, an equal amount of "Minnesota State Railroad Bonds" shall be returned to the State Treasury for cancellation. The interest on such new bonds, however, to be postponed or so graduated as to accommodate the present embarrassments of the people.

This compromise is one which the Bond-holders, who are mostly Railroad men or Railroad contractors, might find desirable on account of the favorable opportunity it offers to invest their special bonds. The lands alone that would be receivable by such a company or companies, is a generous boon, aside from the bonus. They amount in the aggregate to about 6,000,000 acres. At the time they were granted by Congress, it was estimated they would be worth ten dollars an acre as soon as the Railroads were completed. Eight years are yet allowed for their completion, and there is little doubt that Congress would extend the time. For each mile of road constructed the Company would be entitled to 3.840 acres, worth twenty thousand dollars at a low estimate. Add to this the ten thousand dollars a mile given in State Bonds, and it would make a bonus equal to thirty thousand dollars a mile for completed Railroads. Could there be presented a more liberal or generous offer to the Bond-holders? Indeed to any body of men commanding the requisite capital, either in Special Bonds or otherwise, its acceptance would finally prove one of the most profitable investments the present times afford.

2nd.—But as all the Bond-holders might not be disposed to invest in the Stock of such new company or companies, it is therefore but just that an independent mode should be provided for taking up and cancelling the bonds on a fair and equitable basis of compensation. Then, on the holders of any "Minnesota State Railroad Bonds" presenting them at the State Treasury for cancellation, other and general Bonds of the

State would be issued to them at the rate ascertained and fixed by you ; with the interest adjusted as to amount and time, to the present embarrassed condition of the people.

Thus, you see, that the plan I present to relieve our complications is apparently a duplicate. It permits us this advantage in settling these affairs : that, if the completion of 250 miles of railroad should not be a sufficient inducement in the estimation of the people for them to guaranty the present issue of Bonds, or the issue of new, of an equivalent amount, as a bonus, there will then be at hand, already on our statute book, another mode of absorbing them and reducing our indebtedness, and so escaping the present difficulties without the necessity of further legislation.

With this view, if these propositions meet your approbation, I urge, in submitting them in the form of amendments to the Constitution for the popular sanction or rejection, (which will be necessary) that they should be so distinctively and separately framed, that the people may adopt both or either, and yet the object desired be attained. If the present or new Railroad Companies, under these propositions, should acquire all the Bonds of the State as fast as they completed railroads, though our indebtedness would not be lessened in amount, we should yet find ourselves in possession of 250 miles of completed road, with the cars running thereon. If, on the other hand, in consequence of the financial stringency everywhere prevailing, the further prosecution of railroads in this State should be declined at present alike by the Companies, the bond-holders and the people : then we should have the compromise contained in the last proposition to fall back upon, under the operation of which the claims on our Treasury, on account of the State Railroad Bonds, will probably be reduced from fifty to seventy-five per cent. of their present face, while the State would, through the forfeitures enforced against the defaulting Companies, remain in possession of the graded work on the lines of their roads, and of the liberal donation of lands made by Congress for future use, when more auspicious times will justify capitalists in resuming and completing the construction of railroads in our midst. Should both propositions be adopted, the Bonus Bonds issued to the Railroad Companies will be lessened by the amount of Commutation Bonds absorbed in settling with the present "special bond" holders. Touching the acceptance of the second proposition by the holders of the Bonds, I have no doubt they will eagerly assent to it. As I before mentioned, they have generally obtained them at a cost much less than their par value, and they will gain instead of losing, by accepting the offer to redeem, upon so fair and equitable a basis of compensation, with par and undisputed bonds, those which are now, of little or no practical value to them.

In whatever amendments to the Constitution for the settlement of this matter, you may conclude to submit to a vote of the people, I suggest that a clause be embodied reducing the maximum amount of State debt, that may be incurred for Railroad purposes, from the sum of five millions of dollars, down to that of two millions and a half. However men may disagree about the exact remedy for the past, I believe there is little or no difference of opinion, that the balance of special bonds undrawn of the five million loan of public credit, ought not under any circumstances to be hereafter issued,

In regard, also, to the penalties of foreclosure and forfeiture incurred by the default of the present Railroad Companies, some legislation to meet the case will be required ; to which I ask your attention.

I now leave with you this important question. In the suggestions or plans I have offered for its settlement, I have no especial pride of opinion. If you can point out any better way to relieve the people of the State

and the State itself from these complications, I shall cheerfully unite with you to give it efficiency. My only desire is to behold them rightly adjusted and settled, satisfactorily to all parties, upon principles of justice, equity, and honor. To effect this, will indeed challenge the exercise of the best faculties of us all,—of our most acute sagacity, our soundest judgment, our most disinterested patriotism. With our mutual convictions of the importance of the subject, I doubt not our harmonious exertions will succeed in lifting from out of the pathway of our young and growing State, the stumbling block to real progress with which a counterfeit progress has arrested her career. In the first message I ever had the honor to deliver to a Minnesota Legislature, more than ten years ago, I assured them that the famed Philosopher's Stone was nothing more than the talismanic motto—"Pay as you go." And I regret greatly, that when other property of the Territory was turned over to us on our assuming the robes of State, this valuable legacy was not treated with the respect its honest achievements in the past demanded. Had the test of this Philosopher's Stone been applied to the Loan Policy, the power of plausibility would never have overcome the force of facts and long experience, and we should not now be seeking almost wildly to retrieve that error of the past, by a compromise with the future.

It remains to speak, briefly, of other matters of less transcendent importance. By the terms of the Constitution of the State, one third of all school lands may soon be sold, should the Legislature determine upon effecting such sale. The present depreciation in the value of such property is so great, however, that an immediate sale of the most valuable part of these lands, would be an immense sacrifice of the richest endowment of our State. These school sections, if protected from depredation, until such time as property of that description is again salable, at a fair valuation, will furnish an ample fund for the benefit of common schools; and of all things, the Legislature should see to it, that the future educational interests of the State be not sacrificed nor impaired.

I invite your immediate attention to the affairs of the State University, and the condition of the lands appropriated to its permanent endowment. The people of the State have too high an appreciation of their obligation to posterity, to be indifferent to the security of this great trust. There should be no delay in adopting such measures as are requisite to preserve whatever interest yet remains to the State in the University lands.

The subject of Agriculture has been elsewhere alluded to. It is often said that though farmers are commonly the most numerous class, and their interests therefore worthy of most consideration from Legislatures, yet, in fact, they receive the least. In our own State, legislation with a view to their interests, could not be considered class legislation, for whatever would be advantageous to the farming community, would be equally so to the State. I shall cordially unite with you in every measure calculated to benefit the State through her agriculture. In connection with the interest justly felt in that behalf, I desire to suggest to your reflection the relations of the Lake Superior region to the rest of the State. It comprises, in Minnesota, the counties of St. Louis, Lake and Superior. It has a climate, considering the latitude, not unfavorable to agriculture. It is a mineral region however, and the mineral lands are not only of magnificent extent, but the ores, both of iron and copper are known to be of singular purity. For over one hundred miles, this portion of Minnesota feels the wave-beat of the greatest of these inland seas, whose waters annually bear the surplus produce of the teeming West to the world's markets. Safe and commodious harbors indent the coast. A similar country in Wisconsin and British America incloses this Lake, of all which region mining is, and will be the chief pursuit. Like all the mining

communities, they are largely consumers, and from the nature of the case, they are importers. The question is then, briefly, from what market shall they import; and it may be considered in connection with another, suggested by the present agricultural surplus of the rest of the State—to what market shall we export?

At present the people about Lake Superior buy in Cleveland and other ports of the more Eastern lakes, and while not a hundred and fifty miles from the two million bushels of surplus wheat of Minnesota, they send four times that distance, to purchase wheat at a higher price than the commodity bears in St. Paul. On the other hand, our wheat in order to find its natural and nearest market at Superior, must enter into competition at Cleveland, Chicago and Milwaukee with the crops of Wisconsin, Iowa, Illinois and Ohio, after paying the expenses of transportation to those cities—points four times farther from its destination, than the fields on which it grew.

If we had a direct railroad communication with the Lake, the entire trade of that region in everything we should have to furnish, would be ours. We should, in nearness to that market have the advantage of all other competitors, by at least five hundred miles. Moreover, for others, to send supplies to Superior or Ontonagon, is in some degree to reverse the usual and natural direction of carriage; while to us that country lies upon our most direct route of cheapest transportation to the Atlantic markets. The advantages of a railroad connection with Lake Superior would doubtless be very great to the Minnesota counties upon the North shore, but not to be compared with the benefits to the agricultural interests of the entire State.

You will have occasion to consider what, if any, measures can be adopted to secure to our State her fair proportion of immigration, the importance of which to our speedy and complete prosperity, as I have before said, cannot be over-rated. Perhaps, an Emigrant Agency might be serviceable, if the embarrassed circumstances of the State can afford the necessary appropriations. The collection and classification of the statistics of the State, and the intelligent dissemination of the facts thus got together, would greatly promote our interests, and afford the best of arguments in favor of immigration. It would be well, at this time to provide for such connection and arrangement of public statistics, if it can be done with inconsiderable cost. Let the officer in charge of the bureau, in lieu of a salary have the exclusive copy-right of any compilation from, or publication of such statistics, which he should choose to make. This, with the addition of a small appropriation for stationary and postage requisite for the office, would, I think, be sufficient to effect the desired object.

I call your attention to the Militia System of the State, with a view to securing the greatest efficiency with the greatest economy.

The General Election for President and Vice President occurring in November of this year, it will be advisable to provide that our State Election shall be held upon the same day.

I also recommend that for the future, the assembling of the Legislature shall be made more nearly simultaneous with the induction into office of the members of the Executive department.

Your attention should be directed to the necessary legislation for the protection of the settlers from the depredations of roving Indians, and to confine the latter, as much as possible, to their reservations; and also to secure to such Indians as have accepted the habits and customs of civilization, the privileges granted to them by the Constitution.

In this connection, I urge upon you, a careful revision of the laws regulating elections, with a view to prevent, as far as possible, every species of fraud.

The elective franchise is justly regarded as the most sacred, as it is the highest privilege of American citizenship. The voice of the majority of the people, fairly expressed through the ballot-box, possesses the highest sanction; but when by illegal voting, or other frauds, such as of late are becoming too common a resource of the unscrupulous, the sentiment of an entire people becomes misrepresented, not only are the rights and interests of the people outraged, but a blow is struck at the fundamental principles of our government. I earnestly hope you will discover some means whereby without too great inconvenience to voters and without injustice to any, the returns of every canvassing board shall be a record of only legal votes, actually polled at a legal election by actual legal residents.

The people of the State of Minnesota have, in common with the citizens of other States, a deep interest in the legislation of the General Government.

A railroad to the Pacific from some proper point in the Mississippi valley, is already regarded as too important to be longer delayed. It would be most advantageous to the interests of Minnesota, that the question should be determined in favor of the route through her own valleys. While everything indicates that line as the most direct and easy of construction, and the one which promises the cheapest and most convenient transportation, it certainly is to be hoped that mere sectional jealousies will not be permitted to prevent its adoption.

The principle of free homes to actual settlers is one, wise in its humane policy, and benificent in its undoubted effects. The people of our State have strongly expressed their sentiments upon this question as well as upon the Pacific Railroad, and without doubt, their Senators and Representatives too well understand that expression, to hesitate in supporting those measures to the fullest extent. The provisions of a Homestead Bill should include in their operation, the even sections along the lines of the Land Grant Railroads, at least to the extent of reducing the price of such lands to one dollar and a quarter per acre, to settlers complying with the provisions of the law.

The question of a general bankrupt law may probably come before Congress, at its present session. Minnesota has favored the general policy of such legislation by the enactment of an Insolvency law. A wise and safe national law of that character, by which the business man, involved, often without any fault of his, beyond his ability to pay, might be relieved of all his liabilities, upon surrendering all his property for the benefit of his creditors, would greatly tend to encourage debtors to effort, and in the aggregate, increase the energies and the effective exertions of every community. It should not offer inducements to fraud, but lift from the unfortunate a burden forever preventing them from becoming productive, profitable members of civil society. Such an Act, could it be allowed to remain in force, for a few years, would, no doubt, become as popular and indispensable, as it has long been in England.

It is certainly desirable that there should be some modification of the present scale of duties upon importations, whereby the revenue of the general government should be made equal, if possible, to its expenditures; some protection be afforded to American manufactures; the evils of excessive importation, under which we now suffer, be avoided; the perpetual drain of specie from the country, be checked, and a home market furnished to the agricultural interests of the country. These interests in our own State have a common concern with the other States, in the adoption of a policy, which, by drawing a portion of our population to embark in profitable manufactures, should leave freer scope and less competition to the farmers that remain, at the same time that it offers them the advantages of a higher and nearer market. No State in the Union, probably, has great-

er natural adaptations for manufacturing operations, which require great, constant, cheap and convenient power; and we may yet see, upon the banks of our swift streams, populous villages, the homes of capital and industry, creating new wealth for the State, while giving greater value to the products of our fruitful fields.

The question of Slavery is one too deeply affecting the peace of the country, and the strength and welfare of the States where it exists, to be viewed with indifference or irresolution. From being one of the political questions of the country, upon which men might entertain differing opinions, it has come to pass that a certain belief upon that subject, is the sole test of party orthodoxy, the only criterion of capacity for public office.

Not content to leave the institution, where the Constitution, and the administrations of thirteen Presidents, left it, a local institution, entirely within the control of the States where it exists, there have not been wanting a few to advocate intermeddling with it in the States, while, on the other hand, others, more numerous and more dangerous, have been seeking to give it, more and more, a national character, to connect the Government with it actively, and to extend it into the Territories by force of the very Constitution itself. We have seen, to extend slavery, a Territory repeatedly invaded by bands of armed men from a neighboring State, whose course was marked by violence and fraud and every crime; and later, to effect a contrary intent, a few desperate men, taught but too well in that school of violence, attacked the institution in a sovereign State, and have paid the sad penalty of their offending. Deprecating all acts of disorder, and regarding as well the Constitutional rights, as the welfare, harmony and strength of these fraternal States, we can not assent, either to any interference with slavery in the States, by Congress or the citizens of other States, or to the farther extension into free territory of an institution so manifestly fraught with insecurity and weakness.

Minnesota, so lately admitted into the Federal Union, will be second to no State in devotion to everything that makes for the safety, the glory and perpetuity of our Confederation. And, while secession and disunion are daily proclaimed by members of both Houses of Congress, simply in the event that a party, other than their own, becomes predominant in the national councils, we should offer our firm resolve and pledge to our older and stronger sister States, that, as far as depends upon us, we can never encourage, threaten nor permit the sundering of those political ties that make of our United States a great, prosperous, powerful nation.

ALEX. RAMSEY.

SAINT PAUL, January 2, 1860.

